

Approval official. An official who has been delegated loan or grant approval authorities within applicable programs, subject to certain dollar limitations.

Construction. The act of building or putting together a facility that is a part of, or physically attached to, real estate. This does not include procurement of major equipment even though the equipment may be custom built to meet the owner's requirements.

Owner. An applicant or borrower.

Processing office. The office designated by the State program official to accept and process applications for Community Facilities projects.

Regional Attorney or OGC. The head of a Regional Office of the General Counsel (OGC).

Small Community Facilities projects. Community Facilities loans costing \$300,000 and under.

§ 1942.104 Application processing.

(a) *General.* Prospective applicants should request assistance by filing SF 424.2, "Application for Federal Assistance (For Construction)," with the County or District FmHA or its successor agency under Public Law 103-354 Office. When practical, District Directors should meet with prospective applicants before an application is filed to discuss eligibility and FmHA or its successor agency under Public Law 103-354 requirements and processing procedures. Throughout loan processing FmHA or its successor agency under Public Law 103-354 should confer with applicant officials as needed to ensure that applicant officials understand the current status of the processing of their application, what steps and determinations are necessary and what is required from them. FmHA or its successor agency under Public Law 103-354 should assist the applicant as needed and generally try to develop and maintain a cooperative working relationship with the applicant.

(b) *County Office.* The County Office may handle initial inquiries and provide basic information about the program, application forms, and assistance in completing applications. Applications filed in the County Office should be forwarded immediately to the District Office. The applicant should be informed that further processing will be handled by the District Office. When an application is received, the County Office must establish and maintain an information folder.

(c) *District Office.* If the application is filed in the District Office, the District Director must send a copy to the County Supervisor to set up the information file. The District Director must supply information on fire and rescue loan activity within the County Office service area to the County Supervisor at key points throughout the loan making process. As a minimum, the District Director should provide appropriate copies or notice to the County Office when the following actions occur:

- (1) Project summary is completed.
 - (2) Letter of conditions is issued.
 - (3) Applicant declines to execute Form FmHA or its successor agency under Public Law 103-354 1942-46, "Letter of Intent to Meet Conditions."
 - (4) Applicant is notified of loan approval.
 - (5) A loan is properly closed.
 - (6) A construction contract is awarded.
 - (7) A final inspection is completed.
- (d) *Unfavorable decision.* If at any time prior to loan approval it is decided that favorable action will not be taken on an application, the District Director will notify the applicant in writing of the reasons why the request was not favorably considered. The notification to the applicant will state that a review of this decision by FmHA or its successor agency under Public Law 103-354 may be requested by the applicant in accordance with subpart B of part 1900 of this chapter. The following statement will also be made on all notifications of adverse action.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income is derived from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

[52 FR 43726, Nov. 16, 1987, as amended at 54 FR 47197, Nov. 13, 1989; 55 FR 13504, Apr. 11, 1990]

EFFECTIVE DATE NOTE: At 68 FR 65830, Nov. 24, 2003, as corrected at 68 FR 69001, Dec. 11,

§ 1942.105

2003, § 1942.104 was amended by revising paragraph (a), removing paragraphs (b) and (c), and redesignating paragraph (d) as paragraph (b) and revising it, effective Feb. 9, 2004. For the convenience of the user, the revised text is set forth as follows:

§ 1942.104 Application processing.

(a) *General.* Prospective applicants should request assistance by filing SF 424.2, "Application for Federal Assistance (For Construction)," with the Local or Area Rural Development Office. When practical, approval officials should meet with prospective applicants before an application is filed to discuss eligibility and Rural Development requirements and processing procedures. Throughout loan processing, Rural Development should confer with applicant officials as needed to ensure that applicant officials understand the current status of the processing of their application, what steps and determinations are necessary, and what is required from them. Rural Development should assist the applicant as needed and generally try to develop and maintain a cooperative working relationship with the applicant.

(b) *Unfavorable decision.* If, at any time prior to loan approval, it is decided that favorable action will not be taken on an application, the approval official will notify the applicant, in writing, of the reasons why the request was not favorably considered. The notification to the applicant will state that a review of this decision by Rural Development may be requested by the applicant in accordance with subpart B of part 1900 of this chapter. The following statement will also be made on all notifications of adverse action:

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§ 1942.105 Environmental review.

FmHA or its successor agency under Public Law 103-354 must conduct and document an environmental review for each proposed project in accordance with subpart G of part 1940 of this chapter. The review should be completed as soon as possible after receipt of an application. The loan approving official must determine an adequate environmental review has been completed before requesting an obligation of funds.

§ 1942.106 Intergovernmental review.

(a) Loans under this subpart are subject to intergovernmental review in accordance with subpart J of part 1940 of this chapter.

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(b) State intergovernmental review agencies that have selected community facility loans as a program they want to review may not be interested in reviewing proposed loans for fire and rescue facilities. In such cases, the State Director should obtain a letter from the State single point of contact exempting fire and rescue loans from intergovernmental consultation review. A copy of the letter should be placed in the case file for each fire and rescue facility application in lieu of completing the intergovernmental review process.

(c) When an application is filed and adverse comments are not expected, the District Director should proceed with application processing pending intergovernmental review. The loan should not be obligated until any required review process has been completed.

(d) Funds allocated for use under this subpart are also for the use of eligible Indian tribes within the State, regardless of whether State development strategies include Indian reservations. Eligible Indian tribes must have equal opportunity to participate in the program as compared with other residents of the State.

[52 FR 43726, Nov. 16, 1987, as amended at 61 FR 6309, Feb. 20, 1996]

§ 1942.107 Priorities.

(a) Eligible applications must be selected for processing in accordance with § 1942.17(c) of subpart A of this part 1942.

(b) The District Director must score each eligible application in accordance with § 1942.17(c)(2)(iii) of subpart A of this part 1942. The District Director must then notify the State Director of the score, proposed loan amount, and other pertinent data. The State Director should determine as soon as possible if the project has sufficient priority for further processing and notify the District Director. Normally, this consultation should be handled by telephone and documented in the running record.

(c) Applicants who appear eligible but do not have the priority necessary for further consideration at this time should be notified that funds are not available, requested to advise whether